

Reprinted 4/87

MAR 25 1987

Place On Calendar

HOUSE FILE 649

BY COMMITTEE ON JUDICIARY AND  
LAW ENFORCEMENT

(Formerly House File 508) -

Passed House, Date 4-3-87 (p. 1155) Passed Senate, Date 5/9/87 (p. 1885)

Vote: Ayes 78 Nays 4 Vote: Ayes 31 Nays 6

Approved May 15, 1988

*Motion to reconsider (p. 1196) lost 4/8*

A BILL FOR

1 An Act relating to exemptions from execution and attachment by  
2 revising provisions governing the exemption of insurance  
3 policies, proceeds, and benefits, cash, and certain other  
4 personal property, and providing other properly related  
5 matters.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

HF 649

- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24

1 Section 1. Section 509.12, Code 1987, is amended by  
2 striking the section and inserting in lieu thereof the  
3 following:

4 509.12 PROCEEDS EXEMPT FROM EXECUTION.

5 A policy of group insurance and the proceeds of the policy  
6 are exempt from execution and attachment to the same extent as  
7 provided in chapter 627.

8 Sec. 2. Section 512.17, Code 1987, is amended by striking  
9 the section and inserting in lieu thereof the following:

10 512.17 EXEMPTION OF PROCEEDS.

11 The certificate and the proceeds of a beneficiary  
12 certificate issued by an association are exempt from execution  
13 and attachment to the same extent as provided in chapter 627.

14 Sec. 3. Section 627.6, subsection 1, Code 1987, is amended  
15 to read as follows:

16 1. All wearing apparel of the debtor and the debtor's  
17 dependents kept for actual use and the trunks or other  
18 receptacles necessary for the wearing apparel, not to exceed  
19 in value two hundred dollars in any particular item or one  
20 thousand dollars in the aggregate. In addition, the debtor's  
21 interest, not to exceed one thousand dollars in the aggregate,  
22 in any wedding ring or engagement ring owned by the debtor or  
23 the debtor's dependents.

24 Sec. 4. Section 627.6, subsection 5, Code 1987, is amended  
25 by striking the subsection and inserting in lieu thereof the  
26 following:

27 5. The debtor's interest, not to exceed two thousand  
28 dollars in the aggregate, in any cash on hand, bank deposits,  
29 credit union share drafts, or other deposits, wherever  
30 situated, or other personal property not otherwise  
31 specifically provided for in this chapter.

32 Sec. 5. Section 627.6, subsection 6, Code 1987, is amended  
33 by striking the subsection and inserting in lieu thereof the  
34 following:

35 6. The interest of an individual in any accrued dividend

1 or interest, loan or cash surrender value of, or any other  
2 interest in an unmatured life insurance policy owned by the  
3 individual if the beneficiary of the policy is the  
4 individual's spouse, child, or dependent. However, the amount  
5 of the exemption shall not exceed five thousand dollars in the  
6 aggregate if within two years prior to the date execution  
7 issues or exemptions are claimed, the individual either  
8 acquired a life insurance policy or provided additions to a  
9 current life insurance policy in excess of the amount  
10 necessary to fund the amount of coverage equal to the face  
11 amount of the policy.

12 Except as provided in the preceding paragraph, the interest  
13 of an individual in an unmatured life insurance policy may be  
14 levied upon to satisfy debts contracted prior to the policy's  
15 acquisition, or prior to additions to existing policies in  
16 excess of the amount necessary to fund the amount of coverage  
17 equal to the face amount of the policy, but then only to  
18 satisfy any deficiency remaining after exhausting the other  
19 property of the individual subject to execution, except for  
20 homesteads subject to execution under section 561.21,  
21 subsection 1.

22 In the absence of a written agreement or assignment to the  
23 contrary, upon the death of the insured any benefit payable to  
24 the spouse, child, or dependent of the individual under a life  
25 insurance policy shall inure to the separate use of the  
26 beneficiary independently of the insured's creditors.

27 A benefit or indemnity paid under an accident, health, or  
28 disability insurance policy is exempt to the insured or in  
29 case of the insured's death to the spouse, child, or dependent  
30 of the insured, from the insured's debts.

31 In case of an insured's death the benefit or indemnity of  
32 all matured policies of life, accident, health, or disability  
33 insurance payable to the surviving spouse, child, or dependent  
34 are exempt from liability for all debts of the beneficiary  
35 contracted prior to death of the insured, but the amount thus

1 exempted shall not exceed fifteen thousand dollars in the  
2 aggregate.

3 Sec. 6. Section 511.37, Code 1987, is repealed.

4 EXPLANATION

5 This bill makes several changes relating to the exemption  
6 of a debtor's property from execution and attachment.

7 Currently, an unmaturred life insurance policy (other than  
8 credit life) owned by the debtor is fully exempt. Under the  
9 bill the exemption covers an interest in an unmaturred policy  
10 if the beneficiary is the spouse, child, or dependent of the  
11 policyowner, but amounts in excess of \$5,000 are not exempt if  
12 the owner acquired a policy or added to an existing policy  
13 within two years prior to the date the exemption is claimed.  
14 An interest in an unmaturred policy is not otherwise exempt as  
15 to debts contracted after the acquisition of the policy and if  
16 the debt was contracted prior to the acquisition of the policy  
17 the interest may be levied upon to cover any deficiency  
18 remaining after exhausting other property subject to  
19 execution.

20 Certain provisions currently appearing in section 511.37  
21 relating to the exemption of proceeds and benefits payable  
22 under life, accident, health, and disability insurance poli-  
23 cies are rewritten as part of section 627.6.

24 The bill also revises the current exemption for the  
25 debtor's interest in household goods, not to exceed \$200 for  
26 any particular item or \$2,000 in the aggregate. The  
27 substitute language provides an exemption for cash and other  
28 personal property, not to exceed \$2,000 in the aggregate. A  
29 special exemption is added for wedding rings and engagement  
30 rings, not to exceed \$1,000 in the aggregate.

31  
32  
33  
34  
35

HOUSE FILE 649

H-3519

- 1 Amend House File 649 as follows:  
2 1. Page 3, by inserting after line 3 the  
3 following:  
4 "Sec. \_\_\_\_ . Section 5 applies to insurance acquired  
5 or for which additions were purchased on or after the  
6 effective date of this Act."  
7 2. Title page, line 5, by inserting after the  
8 word "matters" the following: ", and providing for  
9 the applicability of the Act".

H-3519 FILED MARCH 31, 1987

BY BRAMMER of Linn

*Placed 4/3 (p. 1155)*

HOUSE FILE 649

H-3528

- 1 Amend House File 649 as follows:  
2 1. Page 1, by striking lines 24 through 27 and  
3 inserting the following:  
4 "Sec. 4. Section 627.6, Code 1987, is amended by  
5 adding the following new subsection:  
6 NEW SUBSECTION. 14. The debtor's interest, not to  
7 exceed one hundred".  
8 2. Page 2, line 2, by striking the words "an  
9 unmatured" and inserting the word "a".  
10 3. Page 2, by striking line 8 and inserting the  
11 following: "provided additions to a".  
12 4. Page 2, line 11, by inserting after the word  
13 "policy" the following: "or acquired a new life  
insurance policy".  
5. Page 2, by striking lines 12 through 21.

BY HALVORSON of Clayton

H-3528 FILED APRIL 1, 1987

JAY of Appanoose

*Placed 4/3 (p. 1154)*

HOUSE FILE 649

H-3541

- 1 Amend House File 649 as follows:  
2 1. Page 1, by striking lines 21 through 23 and  
3 inserting the following: "interest in any wedding or  
4 engagement ring owned and received by the debtor or the  
5 debtor's dependents on or before the date of marriage.".

H-3541 FILED APRIL 1, 1987

BY GARMAN of Story

*Adopted 4/3 (p. 1153)*

HOUSE FILE 649

H-3513

1 Amend House File 649 as follows:  
2 1. Page 2, line 21, by inserting after the word  
3 and figure "subsection 1." the following: "An  
4 insurance company acting as custodian shall not be  
5 held liable for failure to determine if the policy  
6 values are exempt or not unless the company receives  
7 notice from a court of competent jurisdiction or a  
8 person acting pursuant to judicial procedures that  
9 specified policy values shall not be released pending  
10 satisfaction of debts."

H-3513 FILED MARCH 31, 1987

BY BRAMMER of Linn

*Placed o/s 4/3 (p. 1154)*

HOUSE FILE 649

H-3514

1 Amend House File 649 as follows:  
2 1. Page 3, line 1, by striking the word "fifteen"  
3 and inserting the following: "seventy-five".

H-3514 FILED MARCH 31, 1987

BY BRAMMER of Linn

*Placed o/s 4/3 (p. 1154)*

HOUSE FILE 649

H-3515

1 Amend House File 649 as follows:  
2 1. Page 2, line 5, by striking the word "five"  
3 and inserting the word "fifty".  
4 2. Page 2, line 6, by striking the words "two  
5 years" and inserting the following: "six months".

H-3515 FILED MARCH 31, 1987

BY BRAMMER of Linn

*Placed o/s 4/3 (p. 1154)*

HOUSE FILE 649

H-3517

1 Amend House File 649 as follows:  
2 1. Page 2, line 7, by inserting after the word  
3 "individual" the following: "for the purpose of  
4 defrauding one or more of the individual's creditors".

H-3517 FILED MARCH 31, 1987

BY BRAMMER of Linn

*Placed o/s 4/3 (p. 1154)*

HOUSE FILE 649

H-3518

1 Amend House File 649 as follows:  
2 1. By striking page 1, line 24, through page 3,  
3 line 3, and inserting the following:  
4 "Sec. 4. Section 627.6, subsection 6, Code 1987,  
5 is amended to read as follows:  
6 6. Any Except as provided in a contrary agreement  
7 or assignment, any unmaturred life insurance policy  
8 owned by the debtor, other than a credit life  
9 insurance contract."

H-3518 FILED MARCH 31, 1987

BY BRAMMER of Linn

*2/15 4/3 (p. 1155)*

HOUSE FILE 649

H-3542

1 Amend House File 649 as follows:

2 1. Page 1, by striking lines 24 through 27 and  
3 inserting the following:

4 "Sec. 4. Section 627.6, Code 1987, is amended by  
5 adding the following new subsection:

6 NEW SUBSECTION. 14. The debtor's interest, not to  
7 exceed one hundred".

8 2. Page 2, line 2, by striking the words "an  
9 unmatured" and inserting the word "a".

3644 10 3. Page 2, by striking lines 4 through 21 and  
11 inserting the following: "individual's spouse, child  
12 or dependent. However, if within two years of the  
13 date the execution is issued or exemptions are  
14 claimed, the individual either provides additions to a  
15 current policy in excess of the amount necessary to  
16 fund the amount of coverage equal to the face amount  
17 of the policy or acquires a new life insurance policy,  
18 the amount of the exemption of any such interest or  
19 value in the additions or new acquisitions shall not  
20 exceed five thousand dollars in the aggregate."

BY HALVORSON of Clayton

H-3542 FILED APRIL 1, 1987

JAY of Appanoose

*Adopted as amended by 3644 4/3 (p. 1154)*

HOUSE FILE 649

H-3582

1 Amend House File 649 as follows:

2 1. Page 2, by striking lines 5 and 6 and  
3 inserting the following: "of the exemption shall not  
4 exceed the death benefit less the cash value of all  
5 life insurance policies owned by an individual if  
6 within one year prior to the date execution".

H-3582 FILED APRIL 2, 1987 BY BRAMMER of Linn

*Placed o/p 4/3 (p. 1154)* HOUSE FILE 649

H-3644

1 Amend the amendment, H-3542, to House File 649, as  
2 follows:

3 1. Page 1, by striking lines 11 through 20 and  
4 inserting the following: "inserting the following:  
5 "individual's spouse, child, or dependent. However,  
6 the amount of the exemption shall not exceed five  
7 thousand dollars in the aggregate of any interest or  
8 value in insurance acquired within two years of the  
9 date execution is issued or exemptions are claimed, or  
10 for additions within the same time period to a prior  
11 existing policy which additions are in excess of the  
12 amount necessary to fund the amount of face value  
13 coverage of the policies for the two-year period. For  
14 purposes of this paragraph, acquisitions shall not  
15 include such interest in new policies used to replace  
16 prior policies to the extent of any accrued dividend  
17 or interest, loan or cash surrender value of, or any  
18 other interest in the prior policies at the time of  
19 their cancellation.""

BY HALVORSON of Clayton

H-3644 FILED APRIL 3, 1987

JAY of Appanoose

ADOPTED (p. 1154)

Sen Gy 4/9/87 Amend (3521) & De Res 4/13 (p. 1232)

HOUSE FILE 649  
BY COMMITTEE ON JUDICIARY AND  
LAW ENFORCEMENT

(As Amended and Passed by the House April 3, 1987)

Re Passed House, Date 4/11/88 (p. 1655) Passed Senate, Date 5/9/87 (p. 1885)  
Vote: Ayes 88 Nays 4 Vote: Ayes 31 Nays 6  
Approved May 15, 1988, Repassed Senate 4/15/88 (p. 1620)  
47-1

A BILL FOR

1 An Act relating to exemptions from execution and attachment by  
2 revising provisions governing the exemption of insurance  
3 policies, proceeds, and benefits, cash, and certain other  
4 personal property, and providing other properly related  
5 matters.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

House Amendments \_\_\_\_\_

1 Section 1. Section 509.12, Code 1987, is amended by  
2 striking the section and inserting in lieu thereof the  
3 following:

4 509.12 PROCEEDS EXEMPT FROM EXECUTION.

5 A policy of group insurance and the proceeds of the policy  
6 are exempt from execution and attachment to the same extent as  
7 provided in chapter 627.

8 Sec. 2. Section 512.17, Code 1987, is amended by striking  
9 the section and inserting in lieu thereof the following:

10 512.17 EXEMPTION OF PROCEEDS.

11 The certificate and the proceeds of a beneficiary  
12 certificate issued by an association are exempt from execution  
13 and attachment to the same extent as provided in chapter 627.

3988 14 Sec. 3. Section 627.6, subsection 1, Code 1987, is amended  
15 to read as follows:

3521 16 1. All wearing apparel of the debtor and the debtor's  
17 dependents kept for actual use and the trunks or other  
18 receptacles necessary for the wearing apparel, not to exceed  
19 in value two hundred dollars in any particular item or one  
20 thousand dollars in the aggregate. In addition, the debtor's  
21 interest in any wedding or engagement ring owned and received  
22 by the debtor or the debtor's dependents on or before the date  
23 of marriage.

3657 24 Sec. 4. Section 627.6, Code 1987, is amended by adding the  
3521 >  
3988 25 following new subsection:

26 NEW SUBSECTION. 14. The debtor's interest, not to exceed  
3851 27 one hundred dollars in the aggregate, in any cash on hand,  
28 bank deposits, credit union share drafts, or other deposits,  
29 wherever situated, or other personal property not otherwise  
30 specifically provided for in this chapter.

3521 >  
3988 31 Sec. 5. Section 627.6, subsection 6, Code 1987, is amended  
32 by striking the subsection and inserting in lieu thereof the  
33 following:

3521 34 6. The interest of an individual in any accrued dividend  
35 or interest, loan or cash surrender value of, or any other

1 interest in a life insurance policy owned by the individual if  
2 the beneficiary of the policy is the individual's spouse,  
3 child, or dependent. However, the amount of the exemption  
4 shall not exceed five thousand dollars in the aggregate of any  
5 interest or value in insurance acquired within two years of  
6 the date execution is issued or exemptions are claimed, or for  
7 additions within the same time period to a prior existing  
8 policy which additions are in excess of the amount necessary  
9 to fund the amount of face value coverage of the policies for  
10 the two-year period. For purposes of this paragraph,  
11 acquisitions shall not include such interest in new policies  
12 used to replace prior policies to the extent of any accrued  
13 dividend or interest, loan or cash surrender value of, or any  
14 other interest in the prior policies at the time of their  
15 cancellation.

16 In the absence of a written agreement or assignment to the  
17 contrary, upon the death of the insured any benefit payable to  
18 the spouse, child, or dependent of the individual under a life  
19 insurance policy shall inure to the separate use of the  
20 beneficiary independently of the insured's creditors.

21 A benefit or indemnity paid under an accident, health, or  
22 disability insurance policy is exempt to the insured or in  
23 case of the insured's death to the spouse, child, or dependent  
24 of the insured, from the insured's debts.

3521 25 In case of an insured's death the benefit or indemnity of  
26 all matured policies of life, accident, health, or disability  
27 insurance payable to the surviving spouse, child, or dependent  
28 are exempt from liability for all debts of the beneficiary  
29 contracted prior to death of the insured, but the amount thus  
30 exempted shall not exceed fifteen thousand dollars in the  
31 aggregate.

3761 32 Sec. 6. Section 511.37, Code 1987, is repealed.

33  
34  
35

## SENATE AMENDMENT TO HOUSE FILE 649

H-4383

1 Amend House File 649 as amended, passed and  
2 reprinted by the House as follows:

3 1. By striking page 1, line 14 through page 2,  
4 line 31 and inserting the following:

5 "Sec. \_\_\_\_ . Section 627.6, Code 1987, is amended to  
6 read as follows:

7 627.6 GENERAL EXEMPTIONS.

8 A debtor who is a resident of this state may hold  
9 exempt from execution the following property:

10 1. Any combination of the following, not to exceed  
11 a value of eight thousand five hundred dollars in the  
12 aggregate:

13 a. All wearing apparel, including jewelry, of the  
14 debtor and the debtor's dependents kept for actual use  
15 and the trunks or other receptacles necessary for the  
16 wearing apparel; not to exceed in value two hundred  
17 dollars in any particular item or one thousand dollars  
18 in the aggregate.

19 2. One shotgun, and either one rifle or one  
20 musket.

21 b. Shotguns and rifles.

22 c. Private libraries, family bibles, portraits,  
23 pictures, and paintings not to exceed two hundred  
24 dollars in value for any particular item and one  
25 thousand dollars in the aggregate.

26 d. Household furnishings, household goods,  
27 appliances, and musical instruments, including radios,  
28 television sets, and record or tape playing machines,  
29 held primarily for the personal, family, or household  
30 use of the debtor or a dependent of the debtor.

31 e. The debtor's interest, not to exceed five  
32 hundred dollars in the aggregate, in any cash on hand,  
33 bank deposits, credit union share drafts, or other  
34 deposits, wherever situated, or other personal  
35 property not otherwise specifically provided for in  
36 this chapter.

37 2. An interment space or an interest in a public  
38 or private burying ground, not exceeding one acre for  
39 any defendant debtor.

40 5. The debtor's interest, not to exceed two  
41 hundred dollars in value in any particular item, in  
42 household furnishings, household goods, and appliances  
43 held primarily for the personal, family, or household  
44 use of the debtor or a dependent of the debtor, not to  
45 exceed in value two thousand dollars in the aggregate.

46 6. Any unmaturing life insurance policy owned by  
47 the debtor, other than a credit life insurance  
48 contract. The interest of an individual in any  
49 accrued dividend or interest, loan or cash surrender  
50 value of, or any other interest in a life insurance

H-4383

Page Two

1 policy owned by the individual if the beneficiary of  
 2 the policy is the individual's spouse, child, or  
 3 dependent. However, the amount of the exemption shall  
 4 not exceed five thousand dollars in the aggregate of  
 5 any interest or value in insurance acquired within six  
 6 hundred days of the date execution is issued or  
 7 exemptions are claimed, or for additions within the  
 8 same time period to a prior existing policy which  
 9 additions are in excess of the amount necessary to  
 10 fund the amount of face value coverage of the policies  
 11 for the six hundred day period. For purposes of this  
 12 paragraph, acquisitions shall not include such  
 13 interest in new policies used to replace prior  
 14 policies to the extent of any accrued dividend or  
 15 interest, loan or cash surrender value of, or any  
 16 other interest in the prior policies at the time of  
 17 their cancellation.

18 7 4. Professionally prescribed health aids for the  
 19 debtor or a dependent of the debtor.

20 8 5. The debtor's rights in:

21 a. A social security benefit, unemployment  
 22 compensation, or a local public assistance benefit.

23 b. A veteran's benefit.

24 c. A disability or illness benefit.

25 d. Alimony, support, or separate maintenance, to  
 26 the extent reasonably necessary for the support of the  
 27 debtor and dependents of the debtor.

28 e. A payment under a pension, annuity, or similar  
 29 plan or contract on account of illness, disability,  
 30 death, age, or length of service, to the extent  
 31 reasonably necessary for the support of the debtor and  
 32 any dependent of the debtor.

33 ~~9. Any combination of the following, not to exceed~~  
 34 ~~a value of five thousand dollars in the aggregate:~~

35 ~~a. Musical instruments, not including radios,~~  
 36 ~~television sets, or record or tape playing machines,~~  
 37 ~~held primarily for the personal, family, or household~~  
 38 ~~use of the debtor or a dependent of the debtor.~~

39 b 6. One motor vehicle, with the debtor's interest  
 40 not exceeding five thousand dollars.

41 c 7. ~~In the event of a bankruptcy proceeding, the~~  
 42 The debtor's interest in accrued wages and in state  
 43 and federal tax refunds as of the date of the judgment  
 44 to be satisfied, the date of filing of the petition in  
 45 bankruptcy, or the date of execution, whichever occurs  
 46 first, not to exceed one two thousand dollars in the  
 47 aggregate. This exemption is in addition to the  
 48 limitations contained in sections 642.21 and 537.5105.

49 10 8. If the debtor is engaged in any profession  
 50 or occupation other than farming, the proper

H-4383

Page Three

implements, professional books, or tools of the trade of the debtor or a dependent of the debtor, not to exceed in value ten thousand dollars in the aggregate.

§ 9. If the debtor is engaged in farming and does not exercise the delay of the enforceability of a deficiency judgment or general execution under section 654.6 in relation to the execution under which the exemption is claimed, any combination of the following, not to exceed a value of ten thousand dollars in the aggregate:

a. Implements and equipment reasonably related to a normal farming operation. This exemption is in addition to a motor vehicle held exempt under subsection 9 6.

b. Livestock and feed for the livestock reasonably related to a normal farming operation.

§ 10. If the debtor is engaged in farming the agricultural land upon the commencement of an action for the foreclosure of a mortgage on the agricultural land or for the enforcement of an obligation secured by a mortgage on the agricultural land, if a deficiency judgment is issued against the debtor, and if the debtor does not exercise the delay of the enforceability of the deficiency judgment or general execution under section 654.6 in relation to the execution under which the exemption is claimed, the disposable earnings of the debtor are exempt from garnishment to enforce the deficiency judgment after two years from the entry of the deficiency judgment, sections 642.21 and 642.22 notwithstanding. However, earnings paid to the debtor directly or indirectly by the debtor are not exempt.

11. In the absence of a written agreement or assignment to the contrary, upon the death of the insured any benefit payable to the spouse, child, or dependent of the individual under a life insurance policy shall inure to the separate use of the beneficiary independently of the insured's creditors.

A benefit or indemnity paid under an accident, health, or disability insurance policy is exempt to the insured or in case of the insured's death to the spouse, child, or dependent of the insured, from the insured's debts.

In case of an insured's death the benefit or indemnity of all matured policies of life, accident, health, or disability insurance payable to the surviving spouse, child, or dependent are exempt from liability for all debts of the beneficiary contracted prior to death of the insured, but the amount thus exempted shall not exceed seventy-five thousand

1 dollars in the aggregate.

2 12. The debtor's interest in a retirement plan,  
3 policy, or contract of a self-employed individual  
4 which is a qualified plan, policy, or contract under  
5 section 401 of the Internal Revenue Code and the  
6 debtor's interest in an individual retirement account  
7 as defined in section 408 of the Internal Revenue  
8 Code. However, an amount equal to the aggregate  
9 amount of contributions made on or after July 1, 1987  
10 which were not deductible in determining federal  
11 adjusted gross income under section 404 or 408 of the  
12 Internal Revenue Code shall not be exempt. For  
13 purposes of this subsection, Internal Revenue Code  
14 means Internal Revenue Code as defined in section  
15 422.3."

16 2. Page 2, by inserting after line 31 the  
17 following:

18 "Sec. \_\_\_\_ . NEW SECTION. 627.20 REQUEST FOR  
19 APPRAISAL.

20 If an appraisal of property is requested in  
21 connection with the claiming or granting of an  
22 exemption, the cost of the appraisal shall be paid by  
23 the person making the request."

24 3. Page 2, by inserting after line 32 the  
25 following:

26 "Sec. \_\_\_\_ . APPLICABILITY.

27 The provisions of this Act amending the exemption  
28 in section 627.6, subsection 3, relating to interests  
29 in life insurance policies owned by the debtor, shall  
30 apply to contracts of insurance entered into on or  
31 after the effective date of this Act.

32 Sec. \_\_\_\_ . EFFECTIVE DATE. This Act, being deemed  
33 of immediate importance, takes effect upon enactment."

34 4. Title page, line 5, by inserting after the  
35 word "matters" the following: ", providing for the  
36 applicability of the Act, and providing an effective  
37 date".

38 5. By renumbering, relettering, or redesignating  
39 and correcting internal references as necessary.

HOUSE FILE 649

H-5002

1 Amend the Senate Amendment H-4383 to House File 649  
2 as amended, passed, and reprinted by the House as  
3 follows:

4 1. Page 1, line 13, by inserting after the word  
5 "jewelry" the words "other than a wedding or  
6 engagement ring described in subsection 13".

7 2. Page 4, by inserting after line 15 the  
8 following:

9 "13. The debtor's interest in any wedding or  
10 engagement ring owned and received by the debtor or  
11 the debtor's dependents on or before the date of  
12 marriage."

H-5002 FILED JANUARY 14, 1988 BY GARMAN of Story

*Adopted 4/8 (y. 1628)  
Placed o/s 4/8 (y. 1630)*

HOUSE FILE 649

H-6023

1 Amend the Senate amendment, H-4383, to House File  
2 649 as amended, passed, and reprinted by the House as  
3 follows:

4 1. Page 2, by striking lines 3 through 17 and  
5 inserting the following: "dependent. However, this  
6 exemption does not apply to a life insurance policy if  
7 the policyholder files a bankruptcy petition within  
8 one year after the policy is issued and the  
9 policyholder obtained the policy for the purpose of  
10 defrauding one or more creditors."

11 2. Page 3, lines 44 and 45, by striking the words  
12 "benefit or indemnity of all matured" and inserting  
13 the following: "avails of all".

By BRAMMER of Linn

H-6023 FILED MARCH 29, 1988

*Placed o/s 4/8 (y. 1630)*

HOUSE FILE 649

H-6126

1 Amend the Senate amendment, H-4383, to House File  
2 649 as amended, passed, and reprinted by the House as  
3 follows:

4 1. Page 4, by inserting after line 31, the  
5 following:

6 "Sec. \_\_\_\_\_. There is created an interim legislative  
7 study committee for the purpose of studying the  
8 Uniform Fraudulent Transfer Act. The study shall at  
9 minimum, consider inclusion of provisions relating to  
10 the voiding of transfers to insiders; creditors'  
11 remedies against transferees; an applicable statute of  
12 limitations; a definition of insolvency; elimination  
13 of the "good faith" requirement; a statutory  
14 enumeration of "badges of fraud"; and defendant  
15 defenses for fraudulent transfers. The study shall  
16 determine whether there is an abuse of the use of  
17 exemptions, the effect of imposing the Uniform  
18 Fraudulent Transfer Act on persons and families who  
19 have financial problems, and its impact upon persons  
20 and financial institutions.

21 The legislative council shall appoint the study  
22 committee members. The membership shall include  
23 members of both the senate and house of  
24 representatives from both political parties. The  
25 legislative council may appoint citizen members to the  
26 study committee including, but not limited to, persons  
27 who represent debtors and creditors as well as neutral  
28 experts having knowledge of the Uniform Fraudulent  
29 Transfer Act. The study committee shall file a  
30 report, accompanied by bill drafts designed to carry  
31 out its recommendations, with the general assembly  
32 meeting in the year 1989."

33 2. Page 4, by inserting after line 33, the  
34 following:

35 "\_\_\_\_\_. Title page, line 2, by inserting after the  
36 word "revising" the following: ", and providing for a  
37 study of,".

38 3. By renumbering as necessary.

H-6126 FILED MARCH 30, 1988 BY BRAMMER of Linn

w/B 4/11 (p. 1655)

## HOUSE FILE 649

H-6061

1 Amend the Senate amendment, H-4383, to House File  
2 649 as amended, passed, and reprinted by the House as  
3 follows:

4 1. By striking page 1, line 3 through page 4,  
5 line 39 and inserting the following:

6 "\_\_\_\_\_. By striking everything after the enacting  
7 clause and inserting the following:

8 "Section 1. There is created an interim  
9 legislative study committee for the purpose of  
10 studying exemptions from execution and attachment.  
11 The exemptions to be studied shall include those  
12 exemptions authorized by federal and state law. The  
13 study shall determine the monetary amount of  
14 exemptions presently allowed by both the federal and  
15 state governments, where there is an abuse of the use  
16 of such exemptions, the purpose of the federal  
17 bankruptcy statutes and the state laws enacted in  
18 response to the federal law, the effect of modifying  
19 the state exemption statutes on persons and families  
20 who have financial problems, and the impact upon  
21 persons and financial institutions of proposed changes  
22 affecting exemption statutes.

23 The legislative council shall appoint the study  
24 committee members, who shall represent members of both  
25 the house and the senate and both political parties.  
26 The legislative council may appoint citizen members to  
27 the study committee including, but not limited to,  
28 persons who represent debtors and creditors as well as  
29 neutral experts having knowledge of bankruptcy laws.  
30 The study committee shall file a report, accompanied  
31 by bill drafts designed to carry out its  
32 recommendations, with the general assembly meeting in  
33 the year 1989."

34 \_\_\_\_\_. Title page, line 2, by striking the word  
35 "revising" and inserting the following: "providing  
36 for a study of".

37 \_\_\_\_\_. Title page, line 4, by striking the word  
38 "providing".

H-6061 FILED MARCH 30, 1988 BY SVOBODA of Tama

*w/ds 4/8 (p. 1633)*

## HOUSE FILE 649

H-6089

1 Amend the amendment, H-4383, to House File 649 as  
2 amended, passed, and reprinted by the House as  
3 follows:

4 1. Page 2, line 4, by striking the word "five"  
5 and inserting the following: "twenty".

6 2. Page 2, lines 5 and 6, by striking the words  
7 "six hundred days" and inserting the following: "one  
8 year".

9 3. Page 2, line 11, by striking the words "six  
10 hundred day" and inserting the following: "one year".

H-6089 FILED MARCH 30, 1988 BY CORBETT of Linn

*Blair 4/8 (p. 1630)*

HOUSE FILE 649

H-6145

1 Amend the Senate amendment, H-4383, to House File  
2 649 as amended, passed, and reprinted by the House as  
3 follows:

4 1. Page 4, by inserting after line 23 the  
5 following:

6 "Sec. \_\_\_\_ . STUDY COMMITTEE. There is created an  
7 interim legislative study committee for the purpose of  
8 studying exemptions from execution and attachment.  
9 The exemptions to be studied shall include those  
10 exemptions authorized by federal and state law. The  
11 study shall determine the monetary amount of  
12 exemptions presently allowed by both the federal and  
13 state governments, where there is an abuse of the use  
14 of such exemptions, the purpose of the federal  
15 bankruptcy statutes and the state laws enacted in  
16 response to the federal law, the effect of modifying  
17 the state exemption statutes on persons and families  
18 who have financial problems, and the impact upon  
19 persons and financial institutions of proposed changes  
20 affecting exemption statutes.

21 The legislative council shall appoint the study  
22 committee members, who shall represent members of both  
23 the house and the senate and both political parties.  
24 The legislative council may appoint citizen members to  
25 the study committee including, but not limited to,  
26 persons who represent debtors and creditors as well as  
27 neutral experts having knowledge of bankruptcy laws.  
28 The study committee shall file a report, accompanied  
29 by bill drafts designed to carry out its  
30 recommendations, with the general assembly meeting in  
31 the year 1989."

32 2. Page 4, by inserting after line 33 the  
33 following:

34 "\_\_\_\_. Title page, line 2, by inserting after the  
35 word "revising" the following: "and providing a study  
36 of".

37 \_\_\_\_ . Title page, line 4, by striking the word  
38 "providing".

39 3. By renumbering as necessary.

By SVOBODA of Tama

H-6145 FILED MARCH 31, 1988

*June 1/8 (p. 1632)*

HOUSE FILE 649

H-6196

1 Amend the Senate amendment, H-4383, to House File  
2 649, as amended, passed, and reprinted by the House as  
3 follows:

4 1. Page 1, line 11, by striking the word "eight"  
5 and inserting the following: "twelve".

6 2. Page 1, line 31, by inserting after the word  
7 "exceed" the following: "four thousand".

By CORBETT of Linn

H-6196 FILED APRIL 4, 1988

*June 4/8 (p. 1628)*

HOUSE FILE 649

H-6202

1 Amend the Senate amendment, H-4383, to House File  
2 649, as amended, passed, and reprinted by the House,  
3 as follows:

4 1. By striking page 1, line 3 through page 4,  
5 line 15, and inserting the following:

6 "\_\_\_\_. By striking page 1, line 31 through page 2,  
7 line 31, and inserting the following:

8 "Sec. \_\_\_\_ Section 627.6, subsection 6, Code 1987,  
9 is amended by striking the subsection and inserting in  
10 lieu thereof the following:

11 6. a. The interest of an individual in any  
12 accrued dividend or interest, loan or cash surrender  
13 value of, or any other interest in a life insurance  
14 policy owned by the individual if the beneficiary of  
15 the policy is the individual's spouse, child, or  
16 dependent. However, the amount of the exemption shall  
17 not exceed fifty thousand dollars in the aggregate of  
18 any interest or value in insurance acquired within one  
19 year of the date execution is issued or exemptions are  
20 claimed, or additions within the same time period to a  
21 prior existing policy which additions are in excess of  
22 the amount necessary to fund the amount of face value  
23 coverage of the policies for the one-year period. For  
24 purposes of this paragraph, acquisitions do not  
25 include interests in new policies used to replace  
26 prior policies to the extent of any accrued dividend  
27 or interest, loan or cash surrender value of, or any  
28 other interest in the prior policies at the time of  
29 their cancellation.

30 b. In the absence of a written agreement or  
31 assignment to the contrary, upon the death of the  
32 insured any benefit payable to the spouse, child, or  
33 dependent of the individual under a life insurance  
34 policy shall inure to the separate use of the  
35 beneficiary independently of the insured's creditors.

36 c. A benefit or indemnity paid under an accident,  
37 health, or disability insurance policy is exempt to  
38 the insured or in case of the insured's death to the  
39 spouse, child, or dependent of the insured, from the  
40 insured's debts.

41 d. The avails of all policies of life, accident,  
42 health, or disability insurance payable to the  
43 surviving spouse are exempt from liability for all  
44 debts of the beneficiary contracted prior to the death  
45 of the insured, but the amount thus exempted shall not  
46 exceed seventy-five thousand dollars in the  
47 aggregate."

48 2. Page 4, line 28, by striking the figure "3"  
49 and inserting the following: "6".

50 3. By renumbering as necessary.

By CORBETT of Linn

H-6202 FILED APRIL 5, 1988

Law 4/8 (p. 1631)

## HOUSE FILE 649

H-6204

1 Amend the Senate amendment, H-4383, to House File  
2 649, as amended, passed, and reprinted by the House,  
3 as follows:  
4 1. By striking page 1, line 3 through page 4,  
5 line 33, and inserting the following:  
6 " \_\_\_\_\_. By striking page 1, line 31 through page 2,  
7 line 31, and inserting the following:  
8 "Sec. \_\_\_\_\_. Section 627.6, subsection 6, Code 1987,  
9 is amended by striking the subsection and inserting in  
10 lieu thereof the following:  
11 6. a. The interest of an individual in any  
12 accrued dividend or interest, loan or cash surrender  
13 value of, or any other interest in a life insurance  
14 policy owned by the individual if the beneficiary of  
15 the policy is the individual's spouse, child, or  
16 dependent. However, the amount of the exemption shall  
17 not exceed twenty-five thousand dollars in the  
18 aggregate of any interest or value in insurance  
19 acquired within one year of the date execution is  
20 issued or exemptions are claimed, or additions within  
21 the same time period to a prior existing policy which  
22 additions are in excess of the amount necessary to  
23 fund the amount of face value coverage of the policies  
24 for the one-year period. For purposes of this  
25 paragraph, acquisitions do not include interests in  
26 new policies used to replace prior policies to the  
27 extent of any accrued dividend or interest, loan or  
28 cash surrender value of, or any other interest in the  
29 prior policies at the time of their cancellation.  
30 b. In the absence of a written agreement or  
31 assignment to the contrary, upon the death of the  
32 insured any benefit payable to the spouse, child, or  
33 dependent of the individual under a life insurance  
34 policy shall inure to the separate use of the  
35 beneficiary independently of the insured's creditors.  
36 c. A benefit or indemnity paid under an accident,  
37 health, or disability insurance policy is exempt to  
38 the insured or in case of the insured's death to the  
39 spouse, child, or dependent of the insured, from the  
40 insured's debts.  
41 d. The avails of all policies of life, accident,  
42 health, or disability insurance payable to the  
43 surviving spouse are exempt from liability for all  
44 debts of the beneficiary contracted prior to the death  
45 of the insured, but the amount thus exempted shall not  
46 exceed seventy-five thousand dollars in the  
47 aggregate."  
48 \_\_\_\_\_. Page 2, by inserting after line 32 the  
49 following:  
50 "Sec. \_\_\_\_\_. APPLICABILITY. The provisions of this

H-6204

Page 2

- 1 Act amending the exemption in section 627.6,
- 2 subsection 6, relating to interests in life insurance
- 3 policies owned by the debtor, apply to contracts of
- 4 insurance entered into on or after January 1, 1989.""
- 5 2. Page 4, line 35, by inserting before the word
- 6 "providing" the following: "and".
- 7 3. Page 4, lines 36 and 37, by striking the words
- 8 ", and providing an effective date".
- 9 4. By renumbering as necessary.

By CORBETT of Linn

H-6204 FILED APRIL 5, 1988

*File 4/5 (p 1633)*

HOUSE FILE 649

H-6217

1 Amend the Senate amendment, H-4383, to House File  
2 649 as amended, passed, and reprinted by the House as  
3 follows:

4 1. By striking page 1, line 3 through page 4,  
5 line 23 and inserting the following:

6 "\_\_\_\_\_. Page 1, by striking line 19 and inserting  
7 the following: "in value ~~two-hundred-dollars-in-any~~  
8 ~~particular-item-or one~~".

9 \_\_\_\_\_ Page 1, by inserting after line 23 the  
10 following:

11 "Sec. \_\_\_\_\_. Section 627.6, subsection 3, Code 1987,  
12 is amended to read as follows:

13 3. Private libraries, family bibles, portraits,  
14 pictures and paintings not to exceed ~~two-hundred~~  
15 ~~dollars in value for-any-particular-item-and one~~  
16 thousand dollars in the aggregate.

17 Sec. \_\_\_\_\_. Section 627.6, subsection 5, Code 1987,  
18 is amended to read as follows:

19 5. The debtor's interest, ~~not-to-exceed-two~~  
20 ~~hundred-dollars-in-value-in-any-particular-item,~~ in  
21 household furnishings, household goods, and appliances  
22 held primarily for the personal, family, or household  
23 use of the debtor or a dependent of the debtor, not to  
24 exceed in value two thousand dollars in the  
25 aggregate."

26 \_\_\_\_\_ Page 2, line 4, by striking the word "five"  
27 and inserting the following: "ten".

28 \_\_\_\_\_ Page 2, line 25, by striking the words  
29 "benefit or indemnity" and inserting the following:  
30 "avails".

31 2. Page 4, by striking lines 27 through 31 and  
32 inserting the following:

33 "1. The provisions of this Act relating to  
34 exemptions for the proceeds of a life insurance policy  
35 payable upon the death of the insured apply to  
36 proceeds payable on or after the effective date of  
37 this Act.

38 2. The provisions of this Act relating to  
39 exemptions for interests in life insurance policies,  
40 other than interests in the proceeds of a policy  
41 payable upon the death of the insured, apply to  
42 interests acquired on or after January 1, 1988."

43 3. Renumber as necessary.

By JAY of Appanoose  
HALVORSON of Clayton

H-6217 FILED APRIL 5, 1988

W/D 4/8 (7 1630)

## HOUSE FILE 649

H-6203

1 Amend the Senate amendment, H-4383, to House File  
2 649, as amended, passed, and reprinted by the House,  
3 as follows:

4 1. By striking page 1, line 3 through page 4,  
5 line 15, and inserting the following:

6 " \_\_\_\_\_. By striking page 1, line 31 through page 2,  
7 line 31, and inserting the following:

8 "Sec. \_\_\_\_\_. Section 627.6, subsection 6, Code 1987,  
9 is amended by striking the subsection and inserting in  
10 lieu thereof the following:

11 6. a. The interest of an individual in any  
12 accrued dividend or interest, loan or cash surrender  
13 value of, or any other interest in a life insurance  
14 policy owned by the individual if the beneficiary of  
15 the policy is the individual's spouse, child, or  
16 dependent. However, the amount of the exemption shall  
17 not exceed twenty-five thousand dollars in the  
18 aggregate of any interest or value in insurance  
19 acquired within two years of the date execution is  
20 issued or exemptions are claimed, or additions within  
21 the same time period to a prior existing policy which  
22 additions are in excess of the amount necessary to  
23 fund the amount of face value coverage of the policies  
24 for the two-year period. For purposes of this  
25 paragraph, acquisitions do not include interests in  
26 new policies used to replace prior policies to the  
27 extent of any accrued dividend or interest, loan or  
28 cash surrender value of, or any other interest in the  
29 prior policies at the time of their cancellation.

30 b. In the absence of a written agreement or  
31 assignment to the contrary, upon the death of the  
32 insured any benefit payable to the spouse, child, or  
33 dependent of the individual under a life insurance  
34 policy shall inure to the separate use of the  
35 beneficiary independently of the insured's creditors.

36 c. A benefit or indemnity paid under an accident,  
37 health, or disability insurance policy is exempt to  
38 the insured or in case of the insured's death to the  
39 spouse, child, or dependent of the insured, from the  
40 insured's debts.

41 d. The avails of all policies of life, accident,  
42 health, or disability insurance payable to the  
43 surviving spouse are exempt from liability for all  
44 debts of the beneficiary contracted prior to the death  
45 of the insured, but the amount thus exempted shall not  
46 exceed seventy-five thousand dollars in the  
47 aggregate."

48 2. Page 4, line 28, by striking the figure "3"  
49 and inserting the following: "6".

50 3. By renumbering as necessary.

By CORBETT of Linn

H-6203 FILED APRIL 5, 1988

*Placed in 418 (of 1636)*

## HOUSE FILE 649

H-6330

1 Amend the Senate amendment, H-4383, to House File  
2 649 as amended, passed, and reprinted by the House as  
3 follows:

4 1. Page 1, by striking lines 3 through 13.

5 2. By striking page 1, line 14, through page 4,  
6 line 23, and inserting the following:

7 " . Page-1, by striking line 19 and inserting  
8 the following: "in value two-hundred-dollars-in-any  
9 particular-item-or one".

10 . Page 1, by inserting after line 23 the  
11 following:

12 "Sec. . Section 627.6, subsection 3, Code 1987,  
13 is amended to read as follows:

14 3. Private libraries, family bibles, portraits,  
15 pictures and paintings not to exceed two-hundred  
16 dollars in value for-any-particular-item-and one  
17 thousand dollars in the aggregate.

18 Sec. . Section 627.6, subsection 5, Code 1987,  
19 is amended to read as follows:

20 5. The debtor's interest,-not-to-exceed-two  
21 hundred-dollars-in-value-in-any-particular-item, in  
22 household furnishings, household goods, and appliances  
23 held primarily for the personal, family, or household  
24 use of the debtor or a dependent of the debtor, not to  
25 exceed in value two thousand dollars in the  
26 aggregate."

27 . Page 2, line 4, by striking the word "five"  
28 and inserting the following: "ten".

29 . Page 2, line 25, by striking the words  
30 "benefit or indemnity" and inserting the following:  
31 "avails".

32 3. Page 4, by striking lines 27 through 31 and  
33 inserting the following:

34 "1. The provisions of this Act relating to  
35 exemptions for the proceeds of a life insurance policy  
36 payable upon the death of the insured apply to  
37 proceeds payable on or after the effective date of  
38 this Act.

39 2. The provisions of this Act relating to  
40 exemptions for interests in life insurance policies,  
41 other than interests in the proceeds of a policy  
42 payable upon the death of the insured, apply to  
43 interests acquired on or after January 1, 1988."

44 4. Renumber as necessary.

By JAY of Appanoose  
HALVORSON of Clayton

H-6330 FILED APRIL 8, 1988

ADOPTED (p. 1630)

HOUSE FILE 649

H-6296

1 Amend amendment H-6217 to Senate amendment H-4383,  
2 to House File 649 as amended, passed and reprinted by  
3 the House as follows:

4 1. Page 1, line 27, by striking the word "ten"  
5 and inserting the word "twenty-five".

By CORBETT of Linn

H-6296 FILED APRIL 7, 1988

*Placed o/c 4/8 (p. 1630)*

HOUSE FILE 649

H-6306

1 Amend amendment, H-6217, to Senate amendment, H-  
2 4383, to House File 649, as amended, passed, and  
3 reprinted by the House as follows:

4 1. Page 1, by striking lines 1 through 43 and  
5 inserting the following:

6 "Amend the Senate amendment, H-4383, to House File  
7 649, as amended, passed, and reprinted by the House as  
8 follows:

9 1. By striking page 1, line 3 through page 4,  
10 line 39 and inserting the following:

11 "\_\_\_\_". Page 2, line 30, by striking the word  
12 "fifteen" and inserting the following: "seventy-  
13 five".

14 2. By renumbering as necessary.""

By CORBETT of Linn

H-6306 FILED APRIL 7, 1988

*Placed o/c 4/8 (p. 1630)*

HOUSE FILE 649

S-3988

1 Amend House File 649 as amended, passed and  
2 reprinted by the House as follows:  
3 1. By striking page 1, line 14 through page 2,  
4 line 31 and inserting the following:  
5 "Sec. \_\_\_\_ . Section 627.6, Code 1987, is amended to  
6 read as follows:

7 627.6 GENERAL EXEMPTIONS.

8 A debtor who is a resident of this state may hold  
9 exempt from execution the following property:

10 1. Any combination of the following, not to exceed  
11 a value of twelve thousand five hundred dollars in the  
12 aggregate:

13 a. All wearing apparel, including jewelry, of the  
14 debtor and the debtor's dependents kept for actual use  
15 and the trunks or other receptacles necessary for the  
16 wearing apparel, not to exceed in value two hundred  
17 dollars in any particular item or one thousand dollars  
18 in the aggregate.

19 2. ~~One shotgun, and either one rifle or one~~  
20 ~~musket.~~

21 b. Shotguns and rifles.

22 3 c. Private libraries, family bibles, portraits,  
23 pictures, and paintings not to exceed two hundred  
24 dollars in value for any particular item and one  
25 thousand dollars in the aggregate.

26 d. Household furnishings, household goods,  
27 appliances, and musical instruments, including radios,  
28 television sets, and record or tape playing machines,  
29 held primarily for the personal, family, or household  
30 use of the debtor or a dependent of the debtor.

31 e. The debtor's interest, not to exceed five  
32 hundred dollars in the aggregate, in any cash on hand,  
33 bank deposits, credit union share drafts, or other  
34 deposits, wherever situated, or other personal  
35 property not otherwise specifically provided for in  
36 this chapter.

37 4 2. An interment space or an interest in a public  
38 or private burying ground, not exceeding one acre for  
39 any defendant debtor.

40 5. ~~The debtor's interest, not to exceed two~~  
41 ~~hundred dollars in value in any particular item, in~~  
42 ~~household furnishings, household goods, and appliances~~  
43 ~~held primarily for the personal, family, or household~~  
44 ~~use of the debtor or a dependent of the debtor, not to~~  
45 ~~exceed in value two thousand dollars in the aggregate.~~

46 6 3. Any unmaturred life insurance policy owned by  
47 the debtor, other than a credit life insurance  
48 contract. The interest of an individual in any  
49 accrued dividend or interest, loan or cash surrender  
50 value of, or any other interest in a life insurance

S-3988 pg. 2

1 policy owned by the individual if the beneficiary of  
2 the policy is the individual's spouse, child, or  
3 dependent. However, the amount of the exemption shall  
4 not exceed five thousand dollars in the aggregate of  
5 any interest or value in insurance acquired within six  
6 hundred days of the date execution is issued or  
7 exemptions are claimed, or for additions within the  
8 same time period to a prior existing policy which  
9 additions are in excess of the amount necessary to  
10 fund the amount of face value coverage of the policies  
11 for the six hundred day period. For purposes of this  
12 paragraph, acquisitions shall not include such  
13 interest in new policies used to replace prior  
14 policies to the extent of any accrued dividend or  
15 interest, loan or cash surrender value of, or any  
16 other interest in the prior policies at the time of  
17 their cancellation.

18 7 4. Professionally prescribed health aids for the  
19 debtor or a dependent of the debtor.

20 8 5. The debtor's rights in:

21 a. A social security benefit, unemployment  
22 compensation, or a local public assistance benefit.

23 b. A veteran's benefit.

24 c. A disability or illness benefit.

25 d. Alimony, support, or separate maintenance, to  
26 the extent reasonably necessary for the support of the  
27 debtor and dependents of the debtor.

28 e. A payment under a pension, annuity, or similar  
29 plan or contract on account of illness, disability,  
30 death, age, or length of service, to the extent  
31 reasonably necessary for the support of the debtor and  
32 any dependent of the debtor.

33 ~~9--Any combination of the following, not to exceed~~  
34 ~~a value of five thousand dollars in the aggregate:~~

35 ~~a--Musical instruments, not including radios,~~  
36 ~~television sets, or record or tape playing machines,~~  
37 ~~held primarily for the personal, family, or household~~  
38 ~~use of the debtor or a dependent of the debtor.~~

39 b 6. One motor vehicle, with the debtor's interest  
40 not exceeding five thousand dollars.

41 c 7. ~~In the event of a bankruptcy proceeding, the~~  
42 The debtor's interest in accrued wages and in state  
43 and federal tax refunds as of the date of the judgment  
44 to be satisfied, the date of filing of the petition in  
45 bankruptcy, or the date of execution, whichever occurs  
46 first, not to exceed one two thousand dollars in the  
47 aggregate. This exemption is in addition to the  
48 limitations contained in sections 642.21 and 537.5105.

49 10 8. If the debtor is engaged in any profession  
50 or occupation other than farming, the proper

S-3988 pg. 3

1 implements, professional books, or tools of the trade  
2 of the debtor or a dependent of the debtor, not to  
3 exceed in value ten thousand dollars in the aggregate.

4 ~~± 9.~~ If the debtor is engaged in farming and does  
5 ~~not exercise the delay of the enforceability of a~~  
6 ~~deficiency judgment or general execution under section~~  
7 ~~654.6 in relation to the execution under which the~~  
8 ~~exemption is claimed,~~ any combination of the  
9 following, not to exceed a value of ten thousand  
10 dollars in the aggregate:

11 a. Implements and equipment reasonably related to  
12 a normal farming operation. This exemption is in  
13 addition to a motor vehicle held exempt under  
14 subsection 9 6.

15 b. Livestock and feed for the livestock reasonably  
16 related to a normal farming operation.

17 ~~± 10.~~ If the debtor is engaged in farming the  
18 agricultural land upon the commencement of an action  
19 for the foreclosure of a mortgage on the agricultural  
20 land or for the enforcement of an obligation secured  
21 by a mortgage on the agricultural land, if a  
22 deficiency judgment is issued against the debtor, and  
23 if the debtor does not exercise the delay of the  
24 enforceability of the deficiency judgment or general  
25 execution under section 654.6 in relation to the  
26 execution under which the exemption is claimed, the  
27 disposable earnings of the debtor are exempt from  
28 garnishment to enforce the deficiency judgment after  
29 two years from the entry of the deficiency judgment,  
30 sections 642.21 and 642.22 notwithstanding. However,  
31 earnings paid to the debtor directly or indirectly by  
32 the debtor are not exempt.

33 11. In the absence of a written agreement or  
34 assignment to the contrary, upon the death of the  
35 insured any benefit payable to the spouse, child, or  
36 dependent of the individual under a life insurance  
37 policy shall inure to the separate use of the  
38 beneficiary independently of the insured's creditors.

39 A benefit or indemnity paid under an accident,  
40 health, or disability insurance policy is exempt to  
41 the insured or in case of the insured's death to the  
42 spouse, child, or dependent of the insured, from the  
43 insured's debts.

44 In case of an insured's death the benefit or  
45 indemnity of all matured policies of life, accident,  
46 health, or disability insurance payable to the  
47 surviving spouse, child, or dependent are exempt from  
48 liability for all debts of the beneficiary contracted  
49 prior to death of the insured, but the amount thus  
50 exempted shall not exceed seventy-five thousand

S-3988 pg. 4

1 dollars in the aggregate.

2 12. The debtor's interest in a retirement plan,  
3 policy, or contract of a self-employed individual  
4 which is a qualified plan, policy, or contract under  
5 section 401 of the Internal Revenue Code and the  
6 debtor's interest in an individual retirement account  
7 as defined in section 408 of the Internal Revenue  
8 Code. However, an amount equal to the aggregate  
9 amount of contributions made on or after July 1, 1987  
10 which were not deductible in determining federal  
11 adjusted gross income under section 404 or 408 of the  
12 Internal Revenue Code shall not be exempt. For  
13 purposes of this subsection, Internal Revenue Code  
14 means Internal Revenue Code as defined in section  
15 422.3."

16 2. Page 2, by inserting after line 32 the  
17 following:

18 "Sec. \_\_\_\_ . APPLICABILITY.

19 The provisions of this Act amending the exemption  
20 in section 627.6, subsection 3, relating to interests  
21 in life insurance policies owned by the debtor, shall  
22 apply to contracts of insurance entered into on or  
23 after the effective date of this Act.

24 Sec. \_\_\_\_ . EFFECTIVE DATE. This Act, being deemed  
25 of immediate importance, takes effect upon enactment."

26 3. Title page, line 5, by inserting after the  
27 word "matters" the following: ", providing for the  
28 applicability of the Act, and providing an effective  
29 date".

30 4. By renumbering as necessary.

S-3988

Filed May 4, 1987

*Adopted as amended*  
*by 3997 5/9*  
*(p. 1877)*  
RICHARD VANDE HOEF  
KENNETH D. SCOTT

BY BERL E. PRIEBE  
TOM MANN, JR.  
JAMES R. RIORDAN  
JOHN W. JENSEN

HOUSE FILE 649

-3867

1 Amend the amendment, S-3701 to House File 649 as  
2 amended, passed, and reprinted by the House as  
3 follows:

4 1. Page 1, by striking lines 3 through 7 and  
5 inserting the following:

6 "\_\_\_\_. Page 2, by inserting after line 32 the  
7 following:

8 "Sec. \_\_\_\_ . APPLICABILITY.

9 1. The provisions of this Act relating to  
10 exemptions for the proceeds of a life insurance policy  
11 payable upon the death of the insured apply to  
12 proceeds payable on or after the effective date of  
13 this Act.

14 2. The provisions of this Act relating to  
15 exemptions for interests in life insurance policies,  
16 other than interests in the proceeds of a policy  
17 payable upon the death of the insured, apply to  
18 interests acquired on or after April 30, 1987."

19 \_\_\_\_ . Title page, line 5, by inserting after the  
20 word "matters" the following: ", and providing for  
21 the applicability of the Act".

22 2. By numbering and renumbering as necessary.

S-3867

Filed April 28, 1987

*Illinois* 5/9/87 (1885)

BY KENNETH D. SCOTT  
JOHN W. JENSEN

HOUSE FILE 649

S-3701

1 Amend House File 649 as amended, passed and  
 2 reprinted by the House as follows:  
 3 1. Page 2, by inserting after line 32 the  
 4 following:  
 5 "Sec. \_\_\_\_\_. This Act shall not apply to contracts  
 6 of insurance entered into prior to the effective date  
 7 of this Act."

S-3701

Filed April 21, 1987

*Place 4/5/87*

JIM LIND  
 C. JOSEPH COLEMAN  
 JOY C. CORNING  
 TOM MANN, JR.  
 LYNN FUHRMAN  
 GEORGE R. KINLEY  
 JOHN E. SOORHOLTZ  
 LEE W. HOLT  
 JACK NYSTROM  
 DONALD V. DOYLE  
 DAVID M. READINGER  
 WILLIAM D. PALMER  
 LEONARD L. BOSWELL  
 NORMAN J. GOODWIN  
 JOY J. WELSH  
 CHARLES P. MILLER  
 CHARLES BRUNER

BY JOHN W. JENSEN  
 RICHARD VANDE HOEF  
 KENNETH D. SCOTT  
 ALVIN V. MILLER  
 BERL E. PRIEBE  
 JACK W. HESTER  
 ROBERT M. CARR  
 JAMES R. RIORDAN  
 EMIL J. HUSAK  
 WALLY E. HORN  
 LARRY MURPHY  
 AL STURGEON  
 FORREST SCHWENGELS  
 JULIA GENTLEMAN  
 WILMER RENSINK  
 JEAN LLOYD-JONES  
 DONALD E. GETTINGS

HOUSE FILE 649

S-3720

1 Amend the amendment, S-3701 to House File 649 as  
 2 amended, passed, and reprinted by the House as  
 3 follows:  
 4 1. Page 1, by striking lines 3 through 7 and  
 5 inserting the following:  
 6 "\_\_\_\_\_. Page 2, by inserting after line 32 the  
 7 following:  
 8 "Sec. \_\_\_\_\_. APPLICABILITY.  
 9 1. The provisions of this Act relating to  
 10 exemptions for the proceeds of a life insurance policy  
 11 payable upon the death of the insured apply to  
 12 proceeds payable on or after the effective date of  
 13 this Act.  
 14 2. The provisions of this Act relating to  
 15 exemptions for interests in life insurance policies,  
 16 other than interests in the proceeds of a policy  
 17 payable upon the death of the insured, apply to  
 18 interests acquired on or after the effective date of  
 19 this Act."  
 20 \_\_\_\_\_. Title page, line 5, by inserting after the  
 21 word "matters" the following: ", and providing for  
 the applicability of the Act".  
 2. By numbering and renumbering as necessary.

S-3720

Filed April 21, 1987

*Place 4/5/87*

BY JOHN W. JENSEN  
 KENNETH D. SCOTT

HOUSE FILE 649

S-3734

1 Amend the amendment, S-3701 to House File 649 as  
2 amended, passed, and reprinted by the House as  
3 follows:

4 1. Page 1, by striking lines 3 through 7 and  
5 inserting the following:

6 "\_\_\_\_\_. Page 2, by inserting after line 32 the  
7 following:

8 "Sec. \_\_\_\_\_. APPLICABILITY.

9 1. The provisions of this Act relating to  
10 exemptions for the proceeds of a life insurance policy  
11 payable upon the death of the insured apply to  
12 proceeds payable on or after the effective date of  
13 this Act.

14 2. The provisions of this Act relating to  
15 exemptions for interests in life insurance policies,  
16 other than interests in the proceeds of a policy  
17 payable upon the death of the insured, apply to  
18 interests acquired on or after January 1, 1987."

19 \_\_\_\_\_ Title page, line 5, by inserting after the  
20 word "matters" the following: ", and providing for  
21 the applicability of the Act"."

22 2. By numbering and renumbering as necessary.

S-3734

Filed April 22, 1987

*Placed etc*

BY JOHN W. JENSEN  
KENNETH D. SCOTT  
JACK W. HESTER

HOUSE FILE 649

S-3851

1 Amend House File 649 as amended, passed and  
2 reprinted by the House as follows:

3 1. Page 1, line 27, by striking the word "one"  
4 and inserting in lieu thereof the word "nineteen".

S-3851

Filed April 27, 1987

*Placed etc*

ALVIN V. MILLER  
JAMES D. WELLS  
WALLY E. HORN

BY KENNETH D. SCOTT  
RICHARD VANDE HOEF  
JAMES R. RIORDAN  
JOHN W. JENSEN

HOUSE FILE 649

S-3650

1 Amend House File 649, as amended, passed and  
2 reprinted by the House as follows:  
3 1. Page 2, by inserting after line 31 the  
4 following:  
5 "Sec. \_\_\_\_ . A policy, and the proceeds of a policy  
6 of retirement benefits for a self-employed individual,  
7 such as a Keough or Individual Retirement Account, are  
8 exempt from execution and attachment."

S-3650

Filed April 16, 1987

*4/15 5/9*

AL STURGEON  
WILMER RENSINK  
BERL E. PRIEBE  
EUGENE S. FRAISE

BY RICHARD VANDE HOEF

KENNETH D. SCOTT  
JOHN W. JENSEN  
JACK W. HESTER  
ALVIN V. MILLER

HOUSE FILE 649

S-3687

1 Amend House File 649 as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. Page 1, line 23, by inserting after the word  
4 "marriage." the following: "An exemption for the  
5 debtor's interest in a wedding ring does not apply if  
6 the debtor is divorced and is not married at the time  
7 the exemption is claimed. An exemption for the  
8 debtor's interest in an engagement ring does not apply  
9 if the debtor is not married within six months after  
10 the date the exemption is claimed."

S-3687

Filed April 20, 1987

*Revised 0/0*

BY JIM LIND

HOUSE FILE 649

S-3521

1 Amend House File 649 as amended, passed and  
2 reprinted by the House as follows:

3 1. Page 1, lines 19 and 20, by striking the words  
4 "two hundred dollars in any particular item or one  
5 thousand dollars in the aggregate" and inserting the  
6 following: "~~two-hundred-dollars-in-any-particular~~  
7 ~~item-or-one~~ seven thousand five hundred dollars in the  
8 aggregate".

9 2. Page 1, line 20, by inserting after the word  
10 "aggregate." the following: "However, the exemption  
11 on wearing apparel shall not apply to wearing apparel  
12 acquired within one year of the date of execution or  
13 the date the exemption is claimed."

14 3. Page 1, by inserting after line 23 the  
15 following:

16 "Sec. \_\_\_\_ . Section 627.6, subsection 5, Code 1987,  
17 is amended to read as follows:

18 5. The debtor's interest, ~~not-to-exceed-two~~  
19 ~~hundred-dollars-in-value-in-any-particular-item,~~ in  
20 household furnishings, household goods, and appliances  
21 held primarily for the personal, family, or household  
22 use of the debtor or a dependent of the debtor, ~~not-to~~  
23 ~~exceed-in-value-two-thousand-dollars-in-the-aggregate.~~  
24 However, the exemption on household goods, furnishings  
25 and appliances shall not apply to household goods,  
26 furnishings and appliances acquired within one year of  
27 the date of execution or the date the exemption is  
28 claimed."

29 4. Page 1, line 25, by striking the word  
30 "subsection" and inserting the following:  
31 "subsections".

32 5. Page 1, by inserting after line 30 the  
33 following:

34 "NEW SUBSECTION. 15. Heirlooms which have been in  
35 the possession of the debtor or members of the  
36 debtor's family for not less than ten years."

37 6. Page 2, by striking lines 3 through 15 and  
38 inserting the following: "child, or dependent.  
39 However, the exemption shall not apply to any interest  
40 or value in insurance acquired within one year of the  
41 date of execution or the date the exemption is  
42 claimed."

43 7. Page 2, by striking lines 29 through 31 and  
44 inserting the following: "contracted prior to the  
45 death of the insured."

46 8. Page 2, by inserting after line 32 the  
47 following:

48 "Sec. \_\_\_\_ . This Act, being deemed of immediate  
49 importance, takes effect upon enactment."

50 9. By renumbering as necessary.

S-3521

Filed April 13, 1987

W.D. 519 (4-18-87)

BY COMMITTEE ON AGRICULTURE  
BERL E. PRIEBE, Chairperson

HOUSE AMENDMENT TO  
SENATE AMENDMENT TO  
HOUSE FILE 649

S-5942

1 Amend the Senate amendment, H-4383, to House File  
2 649 as amended, passed, and reprinted by the House as  
3 follows:

4 1. Page 1, by striking lines 3 through 13.

5 2. By striking page 1, line 14, through page 4,  
6 line 23, and inserting the following:

7 "\_\_\_\_. Page 1, by striking line 19 and inserting  
8 the following: "in value ~~two-hundred-dollars-in-any~~  
9 ~~particular-item-or one~~".

10 \_\_\_\_\_. Page 1, by inserting after line 23 the  
11 following:

12 "Sec. \_\_\_\_\_. Section 627.6, subsection 3, Code 1987,  
13 is amended to read as follows:

14 3. Private libraries, family bibles, portraits,  
15 pictures and paintings not to exceed ~~two-hundred~~  
16 ~~dollars in value for-any-particular-item-and one~~  
17 thousand dollars in the aggregate.

18 Sec. \_\_\_\_\_. Section 627.6, subsection 5, Code 1987,  
19 is amended to read as follows:

20 5. The debtor's interest, ~~not-to-exceed-two~~  
21 ~~hundred-dollars-in-value-in-any-particular-item,~~ in  
22 household furnishings, household goods, and appliances  
23 held primarily for the personal, family, or household  
24 use of the debtor or a dependent of the debtor, not to  
25 exceed in value two thousand dollars in the  
26 aggregate."

27 \_\_\_\_\_. Page 2, line 4, by striking the word "five"  
28 and inserting the following: "ten".

29 \_\_\_\_\_. Page 2, line 25, by striking the words  
30 "benefit or indemnity" and inserting the following:  
31 "avails".

32 3. Page 4, by striking lines 27 through 31 and  
33 inserting the following:

34 "1. The provisions of this Act relating to  
35 exemptions for the proceeds of a life insurance policy  
36 payable upon the death of the insured apply to  
37 proceeds payable on or after the effective date of  
38 this Act..

39 2. The provisions of this Act relating to  
40 exemptions for interests in life insurance policies,  
41 other than interests in the proceeds of a policy  
42 payable upon the death of the insured, apply to  
43 interests acquired on or after January 1, 1988."

44 4. Renumber as necessary.

S-5942

Filed April 12, 1988

*Senate Concurred 4/14 (p. 1620)*

RECEIVED FROM THE HOUSE

HOUSE FILE 649

S-3997

- 1 Amend amendment, S-3988, to House File 649 as
- 2 amended, passed and reprinted by the House as follows:
- 3 1. Page 1, line 11, by striking the word "twelve"
- 4 and inserting the following: "eight".

S-3997

Filed May 5, 1987

*Adopted 5/9/87 (J. 1877)* JACK RIFE

BY BERL E. PRIEBE  
EMIL HUSAK

HOUSE FILE 649

S-3998

- 1 Amend amendment, S-3988, to House File 649 as
- 2 amended, passed and reprinted by the House as follows:
- 3 1. Page 4, by striking lines 18 through 25 and
- 4 inserting the following:
- 5 "Sec. \_\_\_\_ . APPLICABILITY.
- 6 The provisions of this Act are retroactive to April
- 7 30, 1987. The provisions of this Act amending the
- 8 exemption in section 627.6, subsection 3, relating to
- 9 interests in life insurance policies owned by the
- 10 debtor, shall apply to contracts of insurance entered
- 11 into on or after April 30, 1987."
- 12 2. Page 4, by striking lines 27 through 29 and
- 13 inserting the following: "word "matters" the
- 14 following: ", and providing for the applicability of
- 15 the Act".

S-3998

Filed May 5, 1987

*Adopted 5/9/87 (J. 1877)*

EMIL J. HUSAK

BY BERL E. PRIEBE  
JACK RIFE

HOUSE FILE 649

S-4110

- 1 Amend House File 649, as amended, passed, and re-
- 2 printed by the House, as follows:
- 3 1. Page 2, by inserting after line 31 the following:
- 4 "Sec. \_\_\_\_ . NEW SECTION. 627.20 REQUEST FOR
- 5 APPRAISAL.
- 6 If an appraisal of property is requested in
- 7 connection with the claiming or granting of an
- 8 exemption, the cost of the appraisal shall be paid by
- 9 the person making the request."
- 10 2. By numbering and renumbering as necessary.

S-4110

Filed May 9, 1987

*Adopted 5/10/87 (J. 1856)*

BY TOM MANN, JR.

HOUSE FILE 649

AN ACT

RELATING TO EXEMPTIONS FROM EXECUTION AND ATTACHMENT BY REVISING PROVISIONS GOVERNING THE EXEMPTION OF INSURANCE POLICIES, PROCEEDS, AND BENEFITS, CASH, AND CERTAIN OTHER PERSONAL PROPERTY, AND PROVIDING OTHER PROPERLY RELATED MATTERS, PROVIDING FOR THE APPLICABILITY OF THE ACT, AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 509.12, Code 1987, is amended by striking the section and inserting in lieu thereof the following:

509.12 PROCEEDS EXEMPT FROM EXECUTION.

A policy of group insurance and the proceeds of the policy are exempt from execution and attachment to the same extent as provided in chapter 627.

Sec. 2. Section 512.17, Code 1987, is amended by striking the section and inserting in lieu thereof the following:

512.17 EXEMPTION OF PROCEEDS.

The certificate and the proceeds of a beneficiary certificate issued by an association are exempt from execution and attachment to the same extent as provided in chapter 627.

Sec. 3. Section 627.6, subsection 1, Code 1987, is amended to read as follows:

1. All wearing apparel of the debtor and the debtor's dependents kept for actual use and the trunks or other receptacles necessary for the wearing apparel, not to exceed

in value two hundred dollars in any particular item or one thousand dollars in the aggregate. In addition, the debtor's interest in any wedding or engagement ring owned and received by the debtor or the debtor's dependents on or before the date of marriage.

Sec. 4. Section 627.6, subsection 3, Code 1987, is amended to read as follows:

3. Private libraries, family bibles, portraits, pictures and paintings not to exceed two hundred dollars in value for any particular item and one thousand dollars in the aggregate.

Sec. 5. Section 627.6, subsection 5, Code 1987, is amended to read as follows:

5. The debtor's interest, not to exceed two hundred dollars in value in any particular item, in household furnishings, household goods, and appliances held primarily for the personal, family, or household use of the debtor or a dependent of the debtor, not to exceed in value two thousand dollars in the aggregate.

Sec. 6. Section 627.6, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 14. The debtor's interest, not to exceed one hundred dollars in the aggregate, in any cash on hand, bank deposits, credit union share drafts, or other deposits, wherever situated, or other personal property not otherwise specifically provided for in this chapter.

Sec. 7. Section 627.6, subsection 6, Code 1987, is amended by striking the subsection and inserting in lieu thereof the following:

6. The interest of an individual in any accrued dividend or interest, loan or cash surrender value of, or any other interest in a life insurance policy owned by the individual if the beneficiary of the policy is the individual's spouse, child, or dependent. However, the amount of the exemption shall not exceed ten thousand dollars in the aggregate of any interest or value in insurance acquired within two years of

the date execution is issued or exemptions are claimed, or for additions within the same time period to a prior existing policy which additions are in excess of the amount necessary to fund the amount of face value coverage of the policies for the two-year period. For purposes of this paragraph, acquisitions shall not include such interest in new policies used to replace prior policies to the extent of any accrued dividend or interest, loan or cash surrender value of, or any other interest in the prior policies at the time of their cancellation.

In the absence of a written agreement or assignment to the contrary, upon the death of the insured any benefit payable to the spouse, child, or dependent of the individual under a life insurance policy shall inure to the separate use of the beneficiary independently of the insured's creditors.

A benefit or indemnity paid under an accident, health, or disability insurance policy is exempt to the insured or in case of the insured's death to the spouse, child, or dependent of the insured, from the insured's debts.

In case of an insured's death the avails of all matured policies of life, accident, health, or disability insurance payable to the surviving spouse, child, or dependent are exempt from liability for all debts of the beneficiary contracted prior to death of the insured, but the amount thus exempted shall not exceed fifteen thousand dollars in the aggregate.

Sec. 8. Section 511.37, Code 1987, is repealed.

Sec. 9. APPLICABILITY.

1. The provisions of this Act relating to exemptions for the proceeds of a life insurance policy payable upon the death of the insured apply to proceeds payable on or after the effective date of this Act.

2. The provisions of this Act relating to exemptions for interests in life insurance policies, other than interests in the proceeds of a policy payable upon the death of the

insured, apply to interests acquired on or after January 1, 1988.

Sec. 10. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

\_\_\_\_\_  
DONALD D. AVENSON  
Speaker of the House

\_\_\_\_\_  
JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 649, Seventy-second General Assembly.

\_\_\_\_\_  
JOSEPH O'HERN  
Chief Clerk of the House  
Approved *May 15*, 1988

\_\_\_\_\_  
TERRY E. BRANSTAD  
Governor